

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

RECEIVED

JUL - 6 1993

In the Matter of )

Treatment of Operator Services )  
Under Price Cap Regulation )

CC Docket No. 93-124

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

COMMENTS OF BELL ATLANTIC

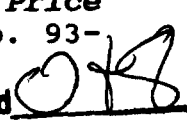
The Bell Atlantic Telephone Companies<sup>1</sup> ("Bell Atlantic") oppose the Commission's proposal to create a new "Operator Services" category in the Traffic Sensitive basket under price cap regulation.<sup>2</sup> As described below, tinkering with the structure of the price cap plan now -- a few months away from the initiation of the pre-scheduled comprehensive review of price cap regulation for local exchange carriers ("LECs") -- would impose needless administrative burdens on both the LECs and the Commission. Instead, the Commission should address any concerns regarding price cap regulation of operator services as part of that comprehensive review.

The NPRM proposes creating a new Operator Services category in the Traffic Sensitive basket for price cap LECs, and proposes to limit price changes for the new service category to plus or minus five percent, adjusted for changes in the basket's overall price

---

<sup>1</sup> The Bell Atlantic Telephone Companies are the Bell Telephone Company of Pennsylvania, the four Chesapeake and Potomac Telephone Companies, the Diamond State Telephone Company, and New Jersey Bell Telephone Company.

<sup>2</sup> *In the Matter of Treatment of Operator Services Under Price Cap Regulation*, Notice of Proposed Rulemaking, CC Docket No. 93-124, released May 26, 1993 ("Operator Services NPRM").

No. of Copies rec'd   
List A B C D E

cap index ("PCI").<sup>3</sup> The NPRM, however, has failed to justify the proposed change.

The Commission has previously held that interim changes to the LEC price cap plan will only be made if a "heavy burden" is met.<sup>4</sup> The reason for this rule is that relatively minor interim changes in the plan of the type proposed here can increase the administrative burdens for both LECs and the Commission's staff, with little or no corresponding benefit to the public. That is the situation here.

The NPRM justifies the proposed rule change based on a tentative conclusion that price cap companies today have an "unlimited ability to change prices for these services in relation to other traffic sensitive or interexchange services."<sup>5</sup> For Bell Atlantic, however, that is simply not true.

Bell Atlantic was granted a waiver of Part 69 of the Commission's Rules to establish separate rate elements for some operator services,<sup>6</sup> which have been included in Bell Atlantic's Interexchange basket under price cap regulation since its inception. As a result, these services have always been subject to

---

<sup>3</sup> *Id.* at ¶ 4.

<sup>4</sup> *In the Matter of Amendment of Part 61 of the Commission's Rules*, Memorandum Opinion and Order, 7 FCC Rcd 6632 (1992), ¶ 5.

<sup>5</sup> Operator Services NPRM, ¶ 1.

<sup>6</sup> *See, e.g., Bell Atlantic Telephone Companies, Petition for Waiver*, 4 FCC Rcd 455 (Common Carrier Bureau 1988). The services covered by the waivers include Operator Transfer Service, Line Status Verification, and Line Status Verification With Call Interrupt.

Interexchange basket's PCI.<sup>7</sup> Bell Atlantic, therefore, lacks the "unlimited ability" to make rate adjustments for these services upon which the NPRM is premised.<sup>8</sup>

Establishing a new service category also conflicts with the Commission objective of reducing the administrative burden of the tariff review process.<sup>9</sup> An additional category would require separate computations for a new index, creation of supporting workpapers, and the need for staff review. In addition, an interim rule change would require a tariff filing to restructure existing price cap baskets. This extra burden on LECs and on the Commission staff would be imposed with little or no benefit in return.

To the extent that the Commission is concerned about the possible need for a new service category for operator services, the appropriate place to raise those concerns is as a part of the comprehensive review of the entire price cap structure. For Price Cap LECs, this review will begin after the end of the third year of price caps -- just months away.<sup>10</sup> This review will evaluate all

---

<sup>7</sup> See Bell Atlantic Telephone Companies Price Cap Filing, Transmittal No. 394, Figure 5-4, filed November 1, 1990.

<sup>8</sup> Although open to challenge at Bell Atlantic's annual filing, no party has complained about these operator service rates since they have been subject to price cap regulation.

<sup>9</sup> See *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, Second Report and Order*, 5 FCC Rcd 6480 (Common Carrier Bureau 1990) ("Price Cap Second Report and Order"), ¶ 37.

<sup>10</sup> 1993 is the third year of the price cap plan for Bell Atlantic and the other Price Cap LECs.

aspects of LEC performance under price caps, and make any adjustments to the plan that are appropriate.<sup>11</sup>

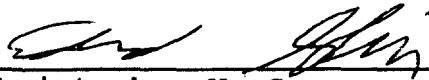
For all the foregoing reasons, Bell Atlantic requests that the Commission reject the proposal in the NPRM to create a new Operator Services category within the Traffic Sensitive basket for price cap LECs. Tinkering with the LEC price cap plan at this point in time is simply not warranted in light of the significant administrative burdens and questionable benefits of the NPRM's proposal.

Respectfully submitted,

The Bell Atlantic Telephone Companies

By Their Attorneys

Edward D. Young, III  
Of Counsel

  
\_\_\_\_\_  
Christopher W. Savage  
Edward Shakin

1710 H Street, N.W.  
Washington, D.C. 20006  
(202) 392-5296

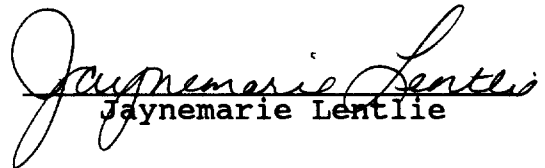
Dated: July 6, 1993

---

<sup>11</sup> See Price Cap Second Report and Order, ¶ 20.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Comments of Bell Atlantic" was served this 6th day of July, 1993, by hand to the parties on the attached list.

  
Jaynemie Lentie

Tariff Division \*  
Common Carrier Bureau  
Federal Communications Commission  
Room 518  
1919 M Street, N.W.  
Washington, D.C. 20554

ITS, Inc.  
1919 M Street, N.W.  
Room 246  
Washington, D.C. 20554

\* Two copies